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COPY NO. 9

# NATIONAL SECURITY COUNCIL

## STATUS OF PROJECTS

as of

February 28, 1949

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NSC review completed.

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NATIONAL SECURITY COUNCIL

STATUS OF PROJECTS

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1. COMPLETED PROJECTS

(February 14, 1949 - February 28, 1949)

NSC 18/2 ECONOMIC RELATIONS BETWEEN THE UNITED STATES AND  
YUGOSLAVIA  
(See NSC Action No. 182)

COORDINATION OF POLICY RESPECTING DELIVERY OF  
AID TO CHINA  
(See NSC Action No. 183)

RESPONSIBILITY FOR PEACETIME PLANNING FOR THE  
WARTIME CONDUCT OF OVERT PSYCHOLOGICAL WARFARE  
(See NSC Action No. 184-b)

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## 2. PROJECTS UNDER CONSIDERATION BY THE NSC

### UNITED STATES POLICY REGARDING TRADE WITH CHINA (NSC 41)

A report by the Secretary of State presented for consideration by the Council. Scheduled as Item 1 on the Agenda for the 35th NSC Meeting, March 3.

### SUPPLEMENTARY MEASURES WITH RESPECT TO FORMOSA (NSC 37/5)

At its 33rd Meeting the Council directed the NSC Staff to prepare a report on Formosa supplementary to NSC 37/2 adopted at that meeting. The JCS furnished an estimate of the extent of the threat to U. S. security in the event that diplomatic and economic steps to deny communist domination of Formosa prove insufficient, and recommendations as to what, if any, military measures should be taken in that event (NSC 37/3). The Department of State furnished a statement of specific and immediate steps which the U. S. should take with respect to Formosa (NSC 37/4). A Staff report, based on the discussion at the NSC meeting and the above reports by the Department of State and the JCS, was concurred in by the Consultants and submitted to the Council as NSC 37/5. Scheduled as Item 2 on the Agenda for the 35th NSC Meeting, March 3.

### U. S. POLICY TOWARD CHINA (NSC 34/2)

A report by the Secretary of State presented for consideration by the Council. Scheduled as Item 3 on the Agenda for the 35th NSC Meeting, March 3.

### DEVELOPMENTS WITH RESPECT TO WESTERN UNION

(Memo for the Secretaries of State and Defense, from Executive Secretary, same subject, dated October 29, 1948; NSC 9/5 and memo for NSC from Executive Secretary, same subject, dated November 8, 1948; and NSC 9/6)

At the suggestion of the Secretary of Defense the Department of State and the JCS were requested to prepare reports on developments with respect to Western Union and the military conversations in London respectively for consideration by the Council at an early meeting. Report by State circulated for information of the Council, November 8, and NSC 9/5. Report by the JCS circulated for information of the Council, November 29, and NSC 9/6. Awaiting further Council discussion at an appropriate date.

UNDER CONSIDERATION BY NSC (Cont'd)

THE INTERNAL SECURITY OF THE UNITED STATES  
(NSC 17/3)

The Conclusions of a report on the above subject (NSC 17/1) were approved by the Council at its 17th Meeting. On September 16, 1948, the Council, including the Secretary of the Treasury and the Attorney General, approved a directive to SANACC which requested SANACC to take appropriate action on internal security and to make recommendations to the Council on problems requiring Presidential consideration. A report from SANACC (SANACC 401/1) requesting further guidance was submitted to the Council as NSC 17/3 on November 16 together with correspondence by the Secretary of Defense and the Attorney General. Further correspondence by the Attorney General and the Air Force member of SANACC submitted for consideration in connection with NSC 17/3 by Memo for NSC from Executive Secretary, NSC, same subject, dated November 26, 1948. To be scheduled for consideration at an early Council meeting.

THE CENTRAL INTELLIGENCE AGENCY AND NATIONAL ORGANIZATION FOR INTELLIGENCE

(Memo for NSC from Executive Secretary, same subject, dated January 24, 1949)

At its 5th Meeting, January 13, 1948, the NSC approved a resolution authorizing a survey of the organization, activities and personnel of CIA and nominated for consideration by the President, three individuals to conduct the survey. These three Consultants were appointed February 13, 1948. By March 12, 1948, Secretaries of State, Army, Navy, and Air Force had concurred in terms of reference for the survey group. Two interim reports have been submitted; No. 1,

[redacted] dated April 30, 1948, and correspondence relating thereto was noted by the NSC as of August 30, 1948; and No. 2, "Relations Between Secret Operations and Secret Intelligence", dated May 13, 1948, was considered by the NSC in connection with the NSC 10 Series. Conferences between the Survey Group and heads of certain intelligence activities in the Government were held on November 22 and 23 to receive suggestions and recommendations from the latter prior to completion of the Survey Group's report. Final report by the Survey Group submitted for Council consideration by memorandum of January 24. Comments on the report requested from the Director of Central Intelligence and the Intelligence Advisory Committee for concurrent consideration by the Council. Awaiting comments from the DCI.

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UNDER CONSIDERATION BY NSC (Cont'd)

SECURITY OF STRATEGICALLY IMPORTANT OPERATIONS IN VENEZUELA  
(Memo for NSC from Executive Secretary, same subject, dated February 17, 1949)

At its 19th Meeting the Council directed the Director of Central Intelligence to refer to the Office of Special Projects the problem of a specific plan for the security of strategically important industrial operations in Venezuela, and to report the plan to the Council. (NSC Action No. 104.) This directive was subsequently amended to request report by CIA but not by Office of Special Projects (NSC Action No. 128). Report by the Joint Staff, "Security of Venezuelan Oil Production Area", referred by the NSC (NSC Action No. 171) to the Director of CIA for consideration in connection with the plan being prepared by CIA. Report by the Director of Central Intelligence submitted by the reference memorandum on February 17, 1949, with the suggestion that the Council note the report and refer it, in accordance with NSC 29, to the Secretary of State for consideration and appropriate action. Proposed action approved by the Chairman, NSRB, on February 17; by the Secretary of Defense on February 24. Awaiting action by State, Army, Navy and Air.

3. PROJECTS UNDER CONSIDERATION BY THE NSC SUB-COMMITTEE ON GERMANY  
(NSC Action No. 176)

The Sub-committee met initially on January 28, 1949, pursuant to the reference action, approved a procedure for its activities and designated representatives as a Steering Group. It was agreed that the Department of State would prepare for consideration by the Steering Group the first draft of a restatement of our policy toward Germany, if possible within the next two weeks; and that the Steering Group should undertake concurrently the preparation of position papers on the following problems, the first four of which should have priority over the remainder:

1. Occupation Statute for Western Germany
2. Trizonal Fusion Agreement
3. German Constitution
4. Ruhr Control Plan
5. Prohibited and Restricted Industries
6. Reparations
7. Western Germany's Long-Range Economic Program  
(GARIOA and ECA)
8. Western Berlin Currency Situation

Steering Group has in preparation an initial report, outlining the results of its activities to date, for early consideration by the Sub-committee.

Awaiting report by the Sub-committee.

4. PROJECTS UNDER CONSIDERATION BY THE NSC CONSULTANTS

PLANNING FOR WARTIME CONDUCT OF OVERT PSYCHOLOGICAL WARFARE

(NSC Action No. 184-c; Memo from Executive Secretary to Consultants, same subject, dated February 23)

At its 34th Meeting the Council agreed that the organization for peacetime planning of overt psychological warfare should be established within the Department of State, as envisaged in Annex A of a memo to the NSC from the Executive Secretary, same subject, dated February 1, 1949; and directed the NSC Staff accordingly to prepare a proposed directive for consideration by the Council. Staff draft directive presented to the Consultants by memo of February 23. Approved by NSRB, February 25. Awaiting action by State, Army, Navy, and Air.

U. S. OBJECTIVES WITH RESPECT TO GREECE AND TURKEY TO COUNTER SOVIET THREATS TO U. S. SECURITY

(NSC Action No. 157; NSC 36; Memo for Consultants from Executive Secretary, dated February 15)

At its 30th Meeting the Council directed the NSC Staff to prepare a report for early consideration by the Council on the position of the U. S. with respect to Greece and Turkey, taking into consideration NSC 36, SANACC 358/7 and 358/8, the previous NSC Staff draft paper of April 27 on Turkey, and such other studies on the subject as may be appropriate. A draft report by the NSC Staff was submitted to the Consultants by memo dated February 15. Changes submitted by State and Army approved in part by Navy and NSRB. Awaiting final action by all Consultants.

THE POSITION OF THE U. S. WITH RESPECT TO IRAN

Study initiated by the NSC Staff on December 2, 1947. First draft issued February 11, 1948. After various revisions, draft presented to Consultants April 23. Concurred in by Navy, April 26; by Army and Air, May 3. State action being deferred, pending related developments.

FRENCH NORTH AFRICA

(NSC 12)

Study of this subject, submitted by the Under Secretary of State for the information of the Council, distributed as NSC 12, May 28. On the basis of this study, the NSC Staff prepared a report on Northwest Africa for consideration by the Council, presenting it to the Consultants for concurrence on June 21. Concurred in by Navy, July 6; by Air, July 7; by NSRB, July 12. State changes of August 4 and Army change of July 6 incorporated in a revision submitted August 4 for further consideration by the Consultants. Army changes submitted August 30. State action being deferred pending related developments.



5. PROJECTS IN PREPARATION BY NSC STAFF

MEASURES REQUIRED TO ACHIEVE U. S. OBJECTIVES WITH RESPECT TO THE USSR

(Ref. NSC 20/4; NSC 35; Memo for Consultants from Executive Secretary, dated January 11, 1949)

On the basis of the statement of U. S. risks and objectives with respect to the USSR (NSC 20/4) as adopted by the Council and approved by the President, the Staff is making final revisions to its preliminary draft of the specific measures required to achieve those objectives, pursuant to NSC Action No. 88-b. In this connection the Staff has considered the views of the JCS on military commitments which were circulated as NSC 35 for Council information and Staff use. Staff draft report presented to Consultants January 11. Referred back to the Staff for revisions in the light of the discussion at the Consultants' meeting on January 17. Staff request that JCS views on "military readiness" be obtained for use in completing final draft of report was transmitted to the Secretary of Defense, January 19. Staff awaiting JCS views.

RE-APPRAISAL BY NATIONAL SECURITY COUNCIL OF UNITED STATES POLICY WITH RESPECT TO KOREA

(Memo for NSC from Executive Secretary, same subject, dated January 17, 1949; NSC 8)

Proposal by the Acting Secretary of State for a re-appraisal and, if necessary, a re-definition of the position of the United States with respect to Korea, circulated for the information of the Council on January 17, 1949 and referred to the NSC Staff as a matter of urgency for the preparation of a report. State Department requested to prepare initial draft. Awaiting report from State.

ANALYSIS OF ALTERNATIVE RELATIONS BETWEEN SCANDINAVIAN COUNTRIES AND WESTERN POWERS CONCERNING NORTH ATLANTIC SECURITY AND MILITARY AID

The Secretary of State has informally requested the NSC Staff to prepare an analysis on the above subject for Council consideration. A report by the JCS on "Anticipated Position of Scandinavia in Strategic Considerations", dated February 10, 1949, has been made available informally by the Office of the Secretary of Defense for use by the NSC Staff in the preparation of this study. Awaiting Staff report.

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PROJECTS IN PREPARATION BY NSC STAFF (Cont'd)

UNITED STATES POLICY IN THE EVENT OF A COMMUNIST THREAT TO ICELAND  
(NSC 40)

Study by the Joint Chiefs of Staff on "Future Operations in Iceland" circulated at the request of the Secretary of Defense and with the concurrence of the Secretary of State to the Council for information and referred to the NSC Staff for preparation of a report for Council consideration. Awaiting Staff report.

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## 6. OTHER CURRENT PROJECTS

### RECOMMENDATIONS WITH RESPECT TO U. S. POLICY TOWARD JAPAN (NSC 13/1 and 13/2; NSC Action No. 117-c-(2))

At its 23rd Meeting on October 7 the Council adopted NSC 13/1, subject to amendments, and agreed that paragraphs 5, 9 and 20 should be submitted separately (NSC Action No. 117). Approved report circulated as NSC 13/2. Paragraph 5 adopted as of October 26, and paragraph 9 as of November 19, by NSC Actions Nos. 138 and 143 respectively. Amendment to paragraph 5 adopted February 1 by NSC Action No. 177. Awaiting a joint report by the Secretaries of State, Defense and the Army on paragraph 20.

### DISPOSITION OF THE FORMER ITALIAN COLONIES IN AFRICA (NSC 19/1 and 19/2; Memo for Secretary of State from Executive Secretary, same subject, dated December 15, 1948)

At its 17th Meeting, August 5, the NSC reviewed and discussed the subject but deferred further action pending the results of negotiations referred to by the Department of State in NSC 19/2. As suggested by the Secretary of Defense in the reference memo, the Department of State was requested to prepare a progress report summarizing implementation of NSC 19/1, setting forth any suggestions concerning changes in NSC 19/1 as a basis for reconsideration by the NSC of the policies approved in that report. Awaiting report from State.

7. DEFERRED PROJECTS

NATIONAL SECURITY OBJECTIVES OF THE UNITED STATES

Study initiated by NSC Staff December 2, 1947 as a long-term project. First draft issued February 25, 1948. Further consideration has been deferred until after NSC action on the NSC 35 Series.

THE POSITION OF THE U. S. WITH RESPECT TO THE MEDITERRANEAN AND THE NEAR EAST

On December 12, 1947 the Consultants advised preparation of a report on this area by the Staff. First draft issued March 2, 1948. Further consideration of the report has been postponed at the request of the Department of State, pending the outcome of current developments in this area.

THE POSITION OF THE U. S. WITH RESPECT TO FRANCE

Study initiated by the NSC Staff on December 2, 1947. First draft issued March 18, 1948. After initial consideration by the Staff, they agreed to defer further consideration at the request of the Department of State.

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